

PS362 Globalisation, development and industrial policy

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Office Hours: By appointment

Course Description

This course engages with the topic of economic development in a context of ‘globalisation’, understood here as the rising interconnectedness of economic activity across borders, since World War II. It will pay particular attention to the needs and ambitions of so-called developing countries and on the different ways that they have pursued economic development historically until today. In this course, we will unpack both the opportunities as well as the constraints that globalisation presents for developing countries. We examine how policies adopted in the Global North shape the conditions of action for countries in the Global South who must still increase income levels in order to improve living standards for their citizens. A special focus will be on so-called industrial policies, which are increasingly being used as a tool to achieve developmental objectives in the Global South, while in the Global North they are deployed to pursue the greening of the economy, to aim for global leadership in emerging technologies, and to navigate geopolitical changes and conflicts. We will engage with readings and concepts from global political economy, heterodox and orthodox development economics, development studies and the international business literature. Along the way, the course addresses theories of economic development and the role of the state, the emergence of global value chains and global production networks and the role of transnational corporations, the history of globalisation, the US-China Trade War, the success story of East Asian economies, and the general implications of the green transition for the global economy.

Requirements

Required Textbook and readings:

Readings will be posted on Google Classroom one week before the class.

In-class participation

It is expected that the readings are completed *before* each seminar as our discussions will be based on them. Please read actively – try to relate what you are reading with what you already know from other courses or from your own personal interests and explorations (engage in a personal self-reflective discussion). Take notes, be critical, ask questions, and come to class prepared to share!

It is highly recommended that you regularly check the news and/or other policy related reporting outlets (newspapers, blogs, policy briefs, Twitter, etc.) for insights and different opinions that relate to the topics in the course – which can be shared during class discussions.

Participating in different ways, either through larger group discussions or in small group/partner exercises, is an integral part of the learning process and it is expected that every student makes a good effort in this regard.

Academic Integrity

Bard College Berlin maintains the highest standards of academic integrity and expects students to adhere to these standards at all times. Instances in which students fail to meet the expected standards of academic integrity will be dealt with under the Code of Student Conduct, Section 14.3 (Academic Misconduct) in the Student Handbook.

Attendance

Attendance at all classes is a crucial part of the education offered by Bard College Berlin. To account for minor circumstances, two absences from twice-per-week courses or the equivalent (e.g. one absence from a once-per-week course) should not affect the participation grade or require documentation.

More than the above absences without valid reasons will reduce the participation grade.

Bard College Berlin may not offer credit for any course in which a student has missed more than 30% of classes, regardless of the reasons for the absences. The full Bard College Berlin attendance policy can be found in the Student Handbook, Section 2.8.

Assignments, assessment and grade breakdown

1. Discussion participation **20%**

Half of this grade will be based on in-class discussions of the readings and also include participation in small group work or in pairs. The second half of this grade will be based on the presentation of your research report outline.

2. Two discussion papers **20% per discussion paper (40% in total)**

You will write two discussion papers throughout the course. One has to be in the first half of the semester, i.e. weeks 1-7, and a second one has to be in the second half of the semester, i.e. weeks 8-14. For each discussion paper, you choose two readings from a specific seminar week and write a discussion paper which compares and contrasts the two readings. The readings that are eligible for the discussion paper are marked with an asterisk (*) in the course schedule below. The discussion paper must do the following: 1) discuss the problem/research question for each reading (what problem, issue, process or event is focused on in the reading?); 2) explain the conceptual or theoretical framework used by the

author(s) to understand the problem/RQ; and 3) provide your assessment on the strength and weaknesses of the author(s)' analyses, findings, and conclusions in a comparative fashion.

Word count is between 1,000 and 1,250 words (not including the references). Please use a coherent referencing style.

Each discussion paper for the week's readings must be emailed to me BEFORE the class of that week, latest by 23:59hrs on Thursday. For example, if you are writing a discussion paper for week 4, you must email me your discussion paper latest 23:59 on Thursday (22 February) of week 4. Students tend to submit the discussion paper late in the respective semester half. I recommend you submit as early as possible, especially in the second half of the semester where you want to avoid a clash with working on the final research paper and the discussion paper at the same time.

3. Final research paper 40%

Choose a topic relevant to the course themes, develop a research question and write a research paper. An outline of the paper will be shared and discussed in class. The word count is between 3,000 to 3,500 words (not including references). Please use a coherent referencing style.

Presentations of paper outlines are scheduled for week 11 (19 April).

The deadline for submission of the final research paper is Thursday, May 16, at 23:59hrs.

Policy on Late Submission of Papers

Essays that are up to 24 hours late can be downgraded up to one full grade (from B+ to C+, for example). Instructors are not obliged to accept essays that are more than 24 hours late. Where a professor agrees to accept a late assignment, it should be submitted by the new deadline agreed upon by both parties. Thereafter, the student will receive a failing grade for the assignment. Grades and comments will be returned to students in a timely fashion. Students are also entitled to make an appointment to discuss essay assignments and feedback during instructors' office hours.

Students receive mid- and end-of-semester grades for their seminar work. Students are entitled to make an appointment with an instructor to discuss seminar participation, or may be asked to meet with the instructor at any stage in the semester regarding class progress.

Schedule

Week	Topic
1	Introduction / Economic development I
2	Economic development II (states vs. markets)
3	The rise and spread of neoliberalism
4	International governance and economic development

5	The East Asian miracle
6	Economic development III
7	Globalised production
8	Global value chains and development
	Spring Break
9	Geopolitics, the return of industrial policy, and the future of globalisation
10	EU and industrial policy
11	Presentations and discussion of research paper outlines
12	Climate change, degrowth and greening of development
13	Labour standards, human rights and environmental regulation in global supply chains
14	Wrapping up

Week 1 – Introduction / Economic development I (2 February)

The first seminar starts with a brief overview of what will be covered in the course. In the second half of the seminar, the concept of economic development will be introduced and discussed.

Stiglitz, J. (2023): Western Industrial Policy and International Law, Project Syndicate, Project Syndicate.

Chang, H.-J. (2013)*: Hamlet without the Prince of Denmark: How development has disappeared from today's "development" discourse.

Horner, R., and Hulme, D. (2017)*: From international to global development: New geographies of 21st century development, *Development and Change*, 50(2): 347–378.

Week 2 – Economic development II: States vs. markets (9 February)

In week 1 it was discussed that economic growth is the essence of economic development. But how do countries achieve economic growth? This is where scholars have disagreed over centuries and what entire ideologies have been built around. At the centre of this disagreement is usually a difference in opinion about the role that the state should take in economic development, ranging from those favouring state intervention in the economy to those that advocate for a reliance on the "free" market.

Hayek, F. A. (1945)*: The Use of Knowledge in Society, *American Economic Review*, 35(4): 519-530.

Ha-Joon Chang (2003)*: Chapter 2 - The market, the state and institutions in economic development, *Rethinking Development Economics*, Anthem Press.

Lin, J., and Chang, H.-J. (2009): Should Industrial Policy in Developing Countries Conform to Comparative Advantage or Defy it? A Debate Between Justin Lin and Ha-Joon Chang, *Development*

Policy Review Debate.

Week 3 – The rise and spread of neoliberalism (16 February)

Neoliberalism is characterised by a fetishization of the “free” market and a fundamental distrust of the state. The rise of neoliberalism is linked to a paradigmatic shift in economic ideologies and a political project. We will discuss how neoliberalism won in the battle of ideas for economic growth during the 1980s.

Harvey, D. (2005)*: Chapter 3 – The Neoliberal State, *A Brief History of Neoliberalism*, Oxford University Press.

Mkandawire, T. (2012)*: Institutional monocropping and monotasking in Africa, in: *Good growth and governance in Africa: rethinking development strategies*, pp. 80-113.

Stiglitz, J. E. (2017)*: The overselling of globalization, *Business Economics*, 52: 129-137.

Streeck, W. (2019): Fighting the State, Review of Quinn Slobodian’s ‘Globalists’, *Development & Change*, 50(3): 836-847.

Week 4 – International governance and economic development (23 February)

In this week we focus on the global policy institutions IMF, World Bank and WTO. Readings will introduce the historical and political origins of various institutions and how they impacted outcomes for the Global South.

Peet, R. (2009)* Bretton Woods: emergence of a global economic regime, chapter 2 in *Unholy Trinity: the IMF, World Bank and WTO*, Zed: London.

Cypher, J. M. (2014). Chapter 17: International institutional linkages: The IMF and the World Bank, in: *The Process of Economic Development*.

Rodrik, D. (2007)*: The Global Governance of Trade As If Development Really Mattered, in *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth*.

Council on Foreign Relations (2022), What’s next for the WTO?.

Week 5 – The East Asian miracle (1 March)

The East Asian newly industrialising economies of South Korea, Taiwan, Singapore and Hong Kong, and more recently also China, are the most impressive economic development success cases in modern

time. Through the use of various types of industrial policies, the state has played a key role in the development process in these countries.

Amsden (1994)*: Why isn't the whole world experimenting with the East Asian model to develop?: Review of *the East Asian miracle*, *World Development*, 12(4), 627-633.

Alexander, S. (2021), Book review: *How Asia Works* [by Joe Studwell].

Smith, N. (2021), What Studwell got wrong: A few flaws in my favorite book about development.

Wade, R. H. (2018)*: Escaping the periphery – The East Asian ‘mystery’ solved.

Week 6 – Economic development III: A theory of development that can explain the East Asian miracle (8 March)

In this week, we look at different elements of a theory of economic development that can make sense of the successful development cases of East Asia, providing more depth to the insights from last week.

Cypher, J. M. (2014): Chapter 6: Heterodox theories of economic development, in: *The Process of Economic Development*.

Whitfield, L. (2011)*: How countries become rich and reduce poverty: A review of heterodox explanations of economic development.

Lee, K. (2013)*: Chapter 7. How to build up technological capabilities to enter short-cycle technology sectors, in: *Schumpeterian analysis of economic catch-up: Knowledge, path-creation, and the middle-income trap*.

Week 7 – Globalised production (15 March)

We discuss globalisation understood as the rising interconnectedness of economic activity across borders, with a particular focus on the political economy of globalisation, and on transnational corporations as key agents of globalisation.

Dicken, P (2015): Chapter 1 - What in the world is going on?, *Global Shift: Mapping the Changing Contours of the World Economy*, The Guildford Press (7th edition).

Dicken, P. (2015): Chapter 5 – Transnational corporations: The primary ‘movers and shapers’ of the global economy, *Global Shift: Mapping the Changing Contours of the World Economy*, The Guildford Press (7th edition).

Frederick, S., and Gereffi, G. (2013)*: Costa Rica in the Electronics Global Value Chain – Opportunities for Upgrading. Read pp. 8-25, Section 2 ‘The Electronics Global Value Chain’ until and excluding section 2.5.

Baldwin, R. (2011)*. Trade And Industrialisation After Globalisation’s 2nd Unbundling: How Building And Joining A Supply Chain Are Different and Why It Matters.

Week 8 – Global value chains and development (22 March)

Having introduced the concept of globalised production in the previous week, we can now turn to the consequences of globalised production for developing countries. How can developing countries make the most of participation in global value chains?

Dicken, P. (2015) Chapter 8 – Capturing value within global production networks, *Global Shift: Mapping the Changing Contours of the World Economy*, The Guildford Press (7th edition).

The World Bank (2020)*: World Development Report – Trading for Development in the Age of Global Value Chains. Overview document, 19 pages.

Selwyn, B. (2019)*: Poverty chains and global capitalism, *Competition & Change*, 23(1): 71-97.

Wuttke, T. (2023): Electric Vehicles and the Changing Automotive GVC: A Window of Opportunity for African Countries?.

Spring Break in the week 25 March to 1 April

Week 9 – Geopolitics, the return of industrial policy, and the future of globalisation (5 April)

Since the Global Financial Crisis in 2008, the election of Donald Trump, and at the latest since the Covid-19 pandemic and the flaring up of geopolitical tensions (Russia’s invasion of Ukraine; the US-China conflict), the future of globalisation has been called into question.

Gong et al. (2022): Globalisation in reverse? Reconfiguring the geographies of value chains and production networks, *Cambridge Journal of Regions, Economy and Society*, 15: 165-181. (You may skip the section ‘Contributions to the Special Issue’, pp. 171-75.)

Butollo, F. (2021)*: Digitalization and the geographies of production: Towards reshoring or global fragmentation?, *Competition & Change*, 25(2), pp. 259-78.

McGee, P. (2023): What it would take for Apple to disentangle itself from China, *Financial Times*.

Tooze, A. (2023)*: Three ways to read the 'deglobalisation' debate, Financial Times.

Smith, N. (2023)*: Decoupling is not deglobalization.

The Economist (2023)*: Globalisation is dead and we need to invent a new world order.

Week 10 – EU and industrial policy (12 April)

In this week, we take a look at how geopolitics and the return of industrial policy have manifested in recent EU policies.

Hettne, J. (2020)*, Chapter 4: The EU state aid ban – a straitjacket for a successful European industrial policy?, in: SIEPS – EU Industrial Policy in a Globalised World – Effects on the Single Market, 57-72.

Schmitz and Seidl (2022)*: As Open as Possible, as Autonomous as Necessary: Understanding the Rise of Open Strategic Autonomy in EU Trade Policy, Journal of Common Market Studies, 61(3): 834-852.

Bruegel (2022)*: Opaque and ill-defined: the problems with Europe's IPCEI subsidy framework.

Week 11 – Research report outline presentations (19 April)

No readings for this week.

Week 12 – Climate change, degrowth and development (26 April)

The heating of the planet and the overstepping of other planetary boundaries require radical and rapid counter-measures. How exactly these measures should look is hotly debated. We engage with the degrowth debate, and discuss the possible consequences of decarbonisation for developing countries.

Wuttke, T. (2021): Reconciling catch-up industrialisation with de-growth.

Smith, N. (2021): People are realizing that degrowth is bad.

On the de-growth vs. green growth debate, you might want to have a look at this [video recording](#) of a debate at the Oxford Smith School from 2022. It is not mandatory to watch this.

Calland, R. (2023)*: Keys to climate action – South Africa's "Just transition": A whole economy transformation.

South Africa's Department of Trade, Industry and Competition (2023)*: Feedback to the EU Green Deal – reporting obligations during the transitional period of the carbon border adjustment mechanism. July

2023.

Mathews, J. A. (2013)*, Greening of Development Strategies, Seoul Journal of Economics, 2013, Vol. 26, No. 2. pp. 147-172.

Hickel, J. (2020)*: What does degrowth mean? A few points of clarification, Globalizations, 18(7), 1105-1111.

Week 13 – Labour standards, human rights and environmental regulation in global supply chains (3 May)

Van der Linden, M. (2019)*: 'The International Labour Organization, 1919-2019: An Appraisal'. Labour: Studies in Working-Class History, 16, No. 2.

Barrientos et al. (2011)*: Economic and social upgrading in global production networks: A new paradigm for a changing world, International Labour Review, 150(3-4): 319-340.

Wuttke, T. et al. (2022): Human Rights and Environmental Due Diligence in Global Value Chains: Perspectives from the Global South, SWP Working Paper. Read pp. 4-9, Section 1 'Conference Overview'.

Week 14 – Wrapping up (10 May)

In this last seminar, we reflect on the contents of this course and wrap up.

Ferguson, J. (1994)*: The Anti-Politics Machine – Development and Bureaucratic Power in Lesotho, a six-page summary.

Mazzucato, M., and Perez, C. (2022)*: Redirecting Growth: Inclusive, sustainable and innovation-led. UCL IIPP Working Paper.